

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE INTERROGATORIES
TO PRC WITNESS HAROLD MATZ (PRCWIT-T-2)
USPS/PRCWIT-T2-1 THROUGH USPS/PRCWIT-T2-18**

Pursuant to Rules 25 through 27 of the Postal Regulatory Commission's Rules of Practice and Procedure, the United States Postal Service respectfully submits the following interrogatories and requests for production of documents to Postal Regulatory Commission witness Harold Matz: USPS/PRCWIT-T2-1 through 18.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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USPS/PRCWIT-T2-1

At page 1, lines 4-5 of PRCWIT-T-2 you state that a “central premise” of the N2012-1 proposal is “virtually all OND must shift to 2-Day.”

- (a) What is the basis for your assertion that "virtually all" First-Class Mail currently with an overnight service standard will be subject to a 2-day standard if the proposed service standard rules (USPS Library Reference N2012-1/7) are adapted;
- (b) After review of the service standard regulations published in the Federal Register on May 25, 2012, please state any basis for reaching the same conclusion based on the final rules.

USPS/PRCWIT-T2-2

Please refer to Tables 2, 4, and 5 in PRCWIT-T-2.

- (a) Was the Service Standards Directory FY 2012 Quarter 1 used to create those tables?
- (b) If your response to part (a) is negative, please identify the source document.
- (c) If your response to part (a) is affirmative, please confirm that the above-referenced directory contains 9,384 3-digit ZIP Code origin-destination pairs.

USPS/PRCWIT-T2-3

In PRCWIT-T-2, on page 10, lines 5-6, you state that DPS window would expand from 4 to 7 or 8 hours under your Intra-SCF overnight proposal. Please describe and compare the current general DPS operation window (including start and end times) with the general operating window that would be in effect under your proposal.

USPS/PRCWIT-T2-4

In PRCWIT-T-2, on page 10 line 8 and 9, you estimate that the DBCS requirement would be reduced by one-third if only the inter-SCF portion of the overnight First-Class Mail service standard were eliminated.

- (a) Please explain the basis for this estimate, and include in your response all data on which you rely.
- (b) What Delivery Bar Code Sorter operations, other than DPS, would be run during the proposed DPS window?

USPS/PRCWIT-T2-5

Please explain fully the question you pose in quotation marks at In PRCWIT-T-2, page 8, lines 9-10.

USPS/PRCWIT-T2-6

In PRCWIT-T-2, page 9, Table 5, please explain in detail the calculation of the values for each cell.

USPS/PRCWIT-T2-7

Please elaborate on your comment at PRCWIT-T-2, page 8, lines 15-16, and further compare and explain the differences between Tables 4 and 5.

USPS/PRCWIT-T2-8

At PRCWIT-T-2, page 10, lines 1-4, you state:

For example, Canada Post Corporation (CPC), while having no OND commitments, actively measures and manages “Day Minus One” service performance for its turnaround mail that receives overnight service, plus early arrivals from other plants that also receive overnight service.

Please describe how CPC’s implementation of letter sequencing or Delivery Point Sequencing is affecting this practice.

USPS/PRCWIT-T2-9

At PRCWIT-T-2, page 11, line 13, you state that additional storage costs would be created by the move from OND to 2-day service. Please provide the analysis and underlying data that you performed to arrive at this conclusion.

USPS/PRCWIT-T2-10

At PRCWIT-T-2, at page 24, line 20, you state that: “Our estimate is that the OLTA understates the number of light trays by as much as 50 percent.” Please full explain the analysis and provide the underlying data relied upon for making this estimate.

USPS/PRCWIT-T2-11

Please refer to PRCWIT-T-2, page 25, lines 17-21. Based on ODIS or volume densities, have you examined whether the majority of incoming letter mail would get the proper primary sortation on the first handling?

USPS/PRCWIT-T2-12

At PRCWIT-T-2, page 13, lines 14-16 you state:

If OND cannot be supported, then the excess DBCS capacity during the day could absorb these volumes, trading off substantial cost savings for the loss of OND service in an AMP scenario.

Please identify the operations that would be absorbed during the day.

USPS/PRCWIT-T2-13

At PRCWIT-T-2, page 15, line 20 to page 16, line 2 you state:

The addition of more 3-digit ZIP sort responsibility to a plant (AMP) would create a higher residue volume to Incoming Primary. This increase is likely a reduction from the total system handlings of two plants, but in my opinion, it is not a significant reduction.

Please explain in detail the basis for your opinion.

USPS/PRCWIT-T2-14

Please refer to PRCWIT-T-2, page 17, lines 11-24.

- (a) Did you differentiate between local and non-local Outgoing Primary (OGP) DBCS?
- (b) What was the number of OGP DBCS machines that you determined were being used for Outgoing Primary?
- (c) Please more fully identify the document referenced as "NP-11" on line 12.

USPS/PRCWIT-T2-15

At PRCWIT-T-2, at pages 24-25, you state that running more outgoing DBCSs in a shorter window "only further justifies the need for OGS processing in order to avoid significant light tray generation."

- (a) Are you proposing the use of outgoing secondary solely to consolidate trays?
- (b) If your response to part (a) is affirmative, did you consider the option of consolidating trays for a specific destination when it is cost effective for operations or transportation?

USPS/PRCWIT-T2-16

At PRCWIT-T-2, on page 26, you assume that “most DBCSs have 194 bins.”

- (a) What is your basis for this assertion?
- (b) Please confirm whether it is your understanding that DBCSs can be enlarged by adding additional stackers if a larger machine is determined to be more cost effective.

USPS/PRCWIT-T2-17

At PRCWIT-T-2, page 25, lines 7-8, you state: “The thirteen (13) plants with more than 600 5-Digit ZIPs would have significant residue re-handling.”

- (a) Please estimate the percentage of volume that would need to be re-handled and explain the basis for your estimate.
- (b) What initial separations did you use to determine the re-handle ZIPs?
- (c) Please state whether it is your understanding that Outgoing Primary sorting can (where deemed appropriate) have more than one stacker for each destination plant (for example, a destination site can be split into sub-sites -- Clarkville-1 and Clarksville-2 -- in an Outgoing Primary sort scheme).

USPS/PRCWIT-T2-18

At PRCWIT-T-2, at pages 33-34, you opine that USPS savings would be significantly less than projected because of the lack of standardized tools and processes for operational mailflow and capacity planning. At page 33, you state that Run Plan Generator (RPG) is not designed for planning for the consolidation of one plant's operations into another plant.

- (a) Is it your understanding that RPG is not designed to be used to create a model for a mail processing operation that can be defined by such factors as volume of mail to be processed, productivity, operating window, and production unit (e.g., mail processing machine, manual case)?
- (b) Is it your understanding that RPG cannot be used for modeling operational consolidations that are examined through the USPS Handbook PO-408 Area Mail Processing (AMP) guidelines?
- (c) Are you aware whether RPG was used to model in connection with any recent AMP studies?